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FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6209  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 5823  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6133  
RUEHKA/AMEMBASSY DHAKA PRIORITY 1362  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4157  
RUEHLO/AMEMBASSY LONDON PRIORITY 5432  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1567  
RUEHCI/AMCONSUL KOLKATA PRIORITY 3567  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2753  
RHEFDIA/DIA WASHDC PRIORITY  
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RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001132

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E.O. 12958: DECL: 06/07/2017

TAGS: [PREL](#) [PGOV](#) [PTER](#) [PREF](#) [KDEM](#) [BT](#) [NP](#)

SUBJECT: HOME MINISTER RELINQUISHES ROLE AS NEGOTIATOR WITH  
MAOISTS

REF: A. KATHMANDU 1059

[1](#)B. KATHMANDU 1071

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

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[1](#)1. (C) Home Minister Sitaula stressed to the Ambassador June 6 that "it was no longer my job" to negotiate with Maoists on behalf of the Seven-Party Alliance. Peace and Reconstruction Minister Poudel would now be taking the lead. Sitaula told the Ambassador that the four Young Communist League (YCL) members who threw rocks at the Ambassador's vehicle May 25 in Jhapa District would be held in custody for 25 days while Police investigated. The Ambassador emphasized that a June 5 public statement by Maoist Information Minister Mahara referring to the Prime Minister as a criminal was unacceptable. Sitaula agreed, lamenting that Nepal faced a new challenge as the Maoists simultaneously sat in government and tried to disturb the peace. With Maoists threatening to "re-take" Nepal's southern Terai from agitating Madhesi groups, the Ambassador predicted a potentially explosive situation. The Ambassador told Sitaula that the GON needed to engage in dialogue with mainstream Madhesi leaders and treat violent Madhesi elements as a law-and-order problem. The Home Minister and Ambassador agreed that Bhutanese refugees required more education on third-country resettlement.

Home Minister No Longer Negotiator with Maoists  
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[1](#)2. (C) When the Ambassador asked Home Minister Sitaula on June 6 how negotiations were proceeding with the Maoists on the vetting phase of arms management, Sitaula responded that it was "no longer his job" to negotiate on behalf of the Seven-Party Alliance with the Maoists. Sitaula clarified that new Peace and Reconstruction Minister Poudel would now be taking the lead and was heading a high-level Cantonment Management Committee. Sitaula said he was not privy to the results of the latest negotiation efforts. (Note: The high-level Cantonment Management Committee also includes Finance Minister Mahat. End Note.)

Attackers of Ambassador's Vehicle in Custody

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13. (C) Sitaula told the Ambassador that the four Young Communist League (YCL) members who had thrown rocks at the Ambassador's vehicle May 25 in Damak in Jhapa District would be held in custody for 25 days while an investigation was conducted (Ref A). (Note: As a UN High Commissioner for Refugee (UNHCR) vehicle approached the UNHCR office gate carrying the Ambassador, UNHCR Nepal Chief Abraham Abraham, and Emboff, roughly two dozen youths threw large stones. They also shouted anti-American slogans and "Death to Moriarty." No one was injured. End Note.) The Home Minister confirmed that the attackers were in fact YCL leaders from Jhapa.

#### Maoist Ministers Misbehaving

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14. (C) The Ambassador stressed to Sitaula that it was unacceptable for a member of the Prime Minister's own cabinet to call him a criminal. (Note: On June 5, Maoist Minister for Information and Communication Krishna Bahadur Mahara told media that Prime Minister Koirala's statement calling the Maoist-affiliated YCL a "young criminal league" was the result of the PM's "criminal mentality." End Note.) There was no other country in the world, the Ambassador said, where a Minister could make such a statement and remain in the cabinet; the Prime Minister should take firm action against Mahara. The Ambassador also referred to recent calls by Maoist ministers for "bandhs," or strikes, against the Government. It was outrageous, and against their peace agreement commitments, the Ambassador said, for Maoist ministers to engage in such open opposition against their own

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government. Sitaula agreed, saying that Nepal faced a new challenge in regard to law and order as the Maoists sat in government while simultaneously trying to disturb the peace.

#### Hardliners vs. "Harder-liners"

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15. (C) Sitaula noted that differences seemed to be arising within the Maoists on how to proceed in the peace process. The Ambassador concurred, but lamented that the differences seemed to be arising between two camps: hardliners and "harder-liners." The first camp believed the Maoists could stay in government while continuing to use violence to gain Maoist dominance, while the second camp thought all-out confrontation was the route to grab state power. The Ambassador bemoaned that this was not a healthy debate and that he was more pessimistic now than he had been a month ago. It was more important than ever before, the Ambassador stressed to the Home Minister, that the seven parties stick together and speak with a common voice.

#### Ambassador Predicts Confrontation in the Terai

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16. (C) With Maoists threatening to "re-take" Nepal's southern Terai from agitating Madhesi groups, the Ambassador predicted a potentially explosive situation over the coming month in the area along Nepal's southern border with India. The Maoists, the Ambassador said, recognized that they would have to regain influence in the Terai if they were to secure sufficient votes in the Constituent Assembly election. If and when Maoists terrorized Madhesi groups, the Madhesis would fight back.

#### Talk to Mainstream Madhesis, Isolate the Violent

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17. (C) Sitaula asked the Ambassador what the GON could do to address the violent Madhesi organizations operating in the Terai, such as the Terai Cobras and the Maoist splinter Janatantrik Terai Mukti Morcha (JTMM or "People's Terai

Liberation Front"). The Ambassador responded that the GON needed to engage in dialogue with the legitimate, mainstream Madhesi leadership and treat other violent Madhesi elements as a "law and order problem." The Ambassador urged that this dialogue must happen quickly, otherwise the Madhesi movement would likely become more violent in pursuit of its aims. Negotiating with mainstream Madhesis, such as Madhesi Members of Parliament, would also isolate the other groups.

#### Refugee Camps

18. (C) The Ambassador highlighted to Sitaula that law and order must be re-established in the Bhutanese refugee camps following the violence of the past weeks (Ref B). The Home Minister said that UNHCR should be more active in educating the refugees about third-country resettlement. In recent meetings he had had with refugee leaders in the camps, he had found considerable confusion about the rationale and procedures for resettlement. Misinformation, Sitaula emphasized, was creating tension in the camps. The Ambassador agreed, but also emphasized that the Communist Party of Bhutan (CP-B) still sought revolution in Bhutan and did not want resettlement to occur. The Ambassador mentioned reports that the CP-B was terrorizing refugees who had expressed interest in resettlement. While small in number (the Ambassador estimated approximately 600 across the seven camps), the CP-B could have a significant impact on the camps' security environment and the success of the resettlement process. The Home Minister said the GON was trying to re-establish a police presence in the camps. He and the Ambassador agreed that the Bhutanese leaders should be called to Kathmandu to meet with UNHCR and the GON to clarify resettlement parameters.

#### State Affairs Committee Dialoguing on Election Law

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19. (C) Home Minister Sitaula said he had come to his meeting with the Ambassador from the Parliamentary Committee on State Affairs. The Committee was debating the Constituent Assembly Election Law. When asked by the Ambassador how negotiations were proceeding, Sitaula said that the Committee was "close to consensus" on a way forward.

#### Comment

10. (C) Post is heartened to hear the Home Minister say he no longer retains his position as the Seven-Party Alliance's negotiator with the Maoists. He claimed he will now wear only one hat, that of Home Minister, required to enforce law and order against the Maoists. Whether this change is real and will result in an improvement in law enforcement remains to be seen. We agree with Sitaula that, once security conditions allow, the planned robust refugee education campaign on third-country resettlement should get underway immediately.

MORIARTY